BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2011-229-W/S

IN RE:))
Application of Daufuskie Island Utility Company, Inc. for Approval for Water and Sewer Rates, Terms and Conditions) NONWAIVER AGREEMENT
)

Daufuskie Island Utility Company, Inc. ("DIUC") and Haig Point Club and Community Association, Inc. ("HPCCA"), Melrose Property Owner's Association, Inc. ("MPOA"), and Bloody Point Property Owner's Association ("BPPOA") ("POAs") (DIUC and the POA's collectively, the "Parties") enter into this Nonwaiver Agreement (the "Agreement") effective March 19, 2012.

WHEREAS on January 6, 2012, DIUC filed an Application for approval to increase its rates for water and sewer services (the "Application") and, as a result of that filing, the South Carolina Public Service Commission initiated the present proceeding in Docket No. 2011-229-W/S (the "Docket");

WHEREAS on February 28, 2012 the POAs intervened as parties of record in this Docket;

WHEREAS, on or about March 13, 2012, DIUC filed a revision to its Application amending its Statement of Proposed Rates to add the present Water and Sewer Availability Rates, that DIUC asserts it is authorized to charge, as well as Water and Sewer Availability Rates

that DIUC proposes as part of this Application (the "Application Revision").

WHEREAS South Carolina Regulation 103-828 states that "Any modification or supplement to a pleading shall be deemed an amendment to the pleading" and "Upon its own motion or upon motion duly filed by a party of record, the Commission may for good cause decline to permit, or may strike in whole or in part, any amendment"; and,

WHEREAS the Parties wish to enter into this Agreement through which the POAs may refrain from objecting to DIUC's Application Revision without waiving any substantive or procedural rights that they might otherwise have in opposition to the Application Revision;

THEREFORE, the Parties enter into this Agreement, as follows:

- 1. The POA's agree that they will not oppose DIUC's Application Revision, pursuant to South Carolina Regulation 103-828;
- 2. In exchange, DIUC agrees that the POAs maintain and do not waive, their right to fully oppose DIUC's current and proposed Availability Rates, including without limitation that DIUC lacks the right, power, or authority to charge the current and/or proposed Availability Rates because a) the Commission lacks the general authority to set or approve such availability rates; b) the Commission never approved or authorized DIUC's current Availability Rates; c) DIUC's current and proposed Availability Rates are excessive; d) DIUC lacks the contractual right or authority to charge the Availability Rates; and/or e) DIUCs current and/or proposed Availability Rates were inadequately noticed.
- 3. By entering into this Agreement, DIUC does not concede that any of the assertions set forth in the immediately-preceding paragraph are meritorious.

IN WITNESS WHEREOF, the Parties have executed this Agreement through their attorneys as of the date first written above.

DAUFUSKIE ISLAND UTILITY COMPANY, INC.

By: A. Trevledullalle 4-2-12

Its Attorney

HAIG POINT CLUB AND COMMUNITY ASSOCIATION, INC.
MELROSE PROPERTY OWNER'S ASSOCIATION, INC.
BLOODY POINT PROPERTY OWNER'S ASSOCIATION

Their Attorney